Form (2)

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Reg. No. 5669-W
Dated 28-5-2014

Permit No. 733/2014 Date 28 May 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub-section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. KIM SUNG HWAN

(b) Citizenship KOREAN

(c) Address NO. 768-3, HANNAN-DONG, YONG SAN GU, SEOUL, KOREA

(d) Name and Address of Principal Organization -

(e) Place of incorporation -

(f) Type of business in which investment is to be made MANUFACTURING OF GARMENTS ON CMP BASIS

(g) Place(s) at which investment is permitted MYAY TAING BLOCK NO. 109, PLOT NO. 55/3, EAST-DAGON INDUSTRIAL ZONE, EAST- DAGON TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US$ 1.123 MILLION

(I) Period for bringing in foreign capital WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 1.123 MILLION

(k) Construction period 6 MONTHS

(1) Permitted duration of investment 30 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of company incorporated in Myanmar

ACE APPAREL INT'L CO., LTD.

Win Shein

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော် မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
စာအမှတ် ၁၆၆၉-မ
ရက်စွဲ ၂၈-၅-၂၀၁၄

ခွင့်ပြုမိန့်အမှတ် ၃၃၃ / ၂၀၁၄ ၂၀၁၄ ခုနှစ် မေလ ၂၈ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ -၁၃ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. KIM SUNG HWAN

(ခ) နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ NO. 768-3, HANNAN-DONG, YONG SAN GU, SEOUL, KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ -

(င) ဖွဲ့စည်းရာအရပ် -

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေတိုင်းရပ်ကွက်အမှတ် ၁၀၉၊ မြေကွက်အမှတ် ၅၅/၃၊ အရှေ့ဒဂုံစက်မှုဇုန်၊ အရှေ့ဒဂုံမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၁.၁၂၃ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့်ရရှိသည့်နေ့မှ (၂) နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁.၁၂၃ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၆ လ

(ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၁၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် ACE APPAREL INT'L CO., LTD.

- Proposal ...
၁၀.၆.2014

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

Republic of the Union of Myanmar
Sr.No.....................
Dated.....................
Myanmar Investment Commission

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
Building No.(32), Nay Pyi Taw

Our ref : DICA-1/FI-951/2014(5669-w)
Date : 28 May 2014

Tel: 067- 406334, 406075
Fax: 95-67-406333

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garments on CMP Basis" under the name of "ACE Apparel Int'l Co., Ltd."**

Reference: ACE Apparel Int'l Co., Ltd., Letter dated (7.3.2014).

1. The Myanmar Investment Commission, at its meeting (13/2014) held on (26-4-2014) had approved that the proposal for investment in "Manufacturing of Garments on CMP Basis" under the name of "ACE Apparel Int'l Co., Ltd." submitted by Mr. Kim Sung Hwan (80 %) and Mrs. Jung Suk Soon (20 %) from Republic of Korea as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to the Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30 (thirty) years and commencing from the date of signing of the Lease Agreement for land and building and extendable for another 15 (fifteen) years two times period by mutual agreement between U Nay Win Swe and ACE Apparel Int'l Co., Ltd. At the end of lease period, ACE Apparel Int'l Co., Ltd. shall transfer the leased land and immovable properties to the lessor within 3 (three) months in good condition, ground damages having been refilled and repaired. 5/

4. The annual rent for the land shall be US$ 12,820.44 (United States Dollar twelve thousand, eight hundred and twenty and forty-four cent only) calculated at the rate of US$ 6.0 per square meter per year of the land measuring 2,136.754 square meter (0.528 acres) out of 8,093.72 square meter (2.00 acres). The rate of rent shall be revised in view of prevailing land and building lease rates after every 5 (five) years period and increase of the rate shall not be more than 10 % of the preceding annual rent.

5. In issuing this "Permit," the Commission has granted, the followings exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of the Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. ACE Apparel Int'l Co., Ltd. shall have to sign the Land and Building Lease Agreement with U Nay Win Swe. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. ACE Apparel Int'l Co., Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. ACE Apparel Int'l Co., Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

9. ACE Apparel Int'l Co., Ltd. has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules extension of construction period shall not be allowed more than one except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if ACE Apparel Int'l Co., Ltd. cannot construct completely in time during the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. ACE Apparel Int'l Co., Ltd. shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal in accordance with Chapter XI, section 24 and section 25 of the Foreign Investment Law and the investor has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2 (i) of the Foreign Investment Law, other than foreign currency.

16. ACE Apparel Int'l Co., Ltd. brings in foreign capital defined under Chapter I, section 2 (i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. ACE Apparel Int'l Co., Ltd. has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 and for transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the State and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. ACE Apparel Int'l Co., Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. ACE Apparel Int'l Co., Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted and to perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. ACE Apparel Int'l Co., Ltd. shall contribute 2 % up to 5 % of the annual net profit for Corporate Social Responsibility (CSR) activities in Myanmar.

21. After getting permit from Myanmar Investment Commission, ACE Apparel Int'l Co., Ltd. shall have to be registered at the Directorate of Industrial Supervision and Inspection.

22. ACE Apparel Int'l Co., Ltd. shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire extinguishers and provide training to use the fire fighting equipments.

23. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall be made from export earning (CMP charges) of ACE Apparel Int'l Co., Ltd. Commercial tax shall be levied on sales of reject items.

24. ACE Apparel Int'l Co., Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Win Shein)
Chairman

ACE Apparel Int'l Co., Ltd.

cc:
1. Office of the Union Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance
5. Ministry of Commerce
6. Ministry of Industry
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Environmental Conservation and Forestry
12. Ministry of Electric Power
13. Chairman, CMP Enterprise Supervision Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Human Settlement and Housing Development
16. Director General, Directorate of Industrial Supervision and Inspection
17. Director General, Customs Department

18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Director General, Department of Environmental Conservation
27. Director General, Fire Services Department
28. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)

ကန့်သတ်

အကြောင်းအရာ။ **ရာခိုင်နှုန်းပြည့် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှုဖြင့် ACE Apparel Int'l Co., Ltd. မှ CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း ဆောင်ရွက်ခွင့်ပြုပါရန် အဆိုပြုတင်ပြလာခြင်းကိစ္စ**

၁။	ကုမ္ပဏီအမည်/ ကမကထပြုသူ	- ACE Apparel Int'l Co., Ltd. - Mr. Kim Sung Hwan (Korea)
	အဖွဲ့အစည်းပုံသဏ္ဍာန်	- ရာခိုင်နှုန်းပြည့်နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု (၁၀၀ %)
	လုပ်ငန်းအမျိုးအစား	- CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း
၂။	တည်နေရာ	- အမှတ် ၅၅/၃၊ ဒေါ်ဖွားရှင်လမ်း၊ တောင်ဒဂုံစက်မှုဇုန်၊ တောင်ဒဂုံမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး
	မြေအကျယ်အဝန်း	- ၂,၁၃၆.၇၄ စတုရန်းမီတာ (၀.၅၂၈ ဧက) - တစ်ထပ်အဆောက်အဦး (၁) လုံး (၂၃၅ ပေx ၁၀၀ ပေx ၂၄ ပေ)
	မြေပိုင်ရှင်	- ဦးနေဝင်းဆွေ (၅-၇-၂၀၀၁ နေ့မှစ၍နှစ် (၆၀))
၃။	နှစ်စဉ်မြေ နှင့် အဆောက်အဦငှားရမ်းခ	- နှစ်စဉ်မြေနှင့် အဆောက်အဦ ငှားရမ်းခနှုန်း အမေရိကန်ဒေါ်လာ (၁၂,၈၂၀.၄၄) ဖြစ်ပါသည်။ - မြေတစ်စတုရန်းမီတာလျှင်(၁)နှစ် အမေရိကန်ဒေါ်လာ (၆.၀၀) နှုန်းဖြစ်ပါသည်။
၄။	လုပ်ငန်းသက်တမ်း	- ကနဦး ၃၀ နှစ် နှင့် နောက်ထပ် ၁၅ နှစ် (၂) ကြိမ်သက်တမ်းတိုး
	တည်ဆောက်ရေးကာလ	- ၆ လ
၅။	စုစုပေါင်းရင်းနှီးမြှုပ်နှံမှု	- အမေရိကန်ဒေါ်လာ ၁.၁၂၃ သန်း
	ထည့်ဝင်သည့် အမျိုးအစား	- US$ (သန်း)
	ငွေသား	- ၀.၁၅၀
	စက်နှင့်စက်ပစ္စည်း (ပြည်ပ)	- ၀.၆၉၄
	စက်နှင့် စက်ပစ္စည်း (ပြည်တွင်း)	- ၀.၁၃၇
	သင်တန်းကာလကုန်ကြမ်းပစ္စည်းတန်ဖိုး (ပြည်တွင်း)	- ၀.၀၈၅
	မော်တော်ယာဉ် (ပြည်တွင်း)	- ၀.၀၃၂
	ပရိဘောဂ (ပြည်တွင်း)	- ၀.၀၂၅
	စုစုပေါင်း	**၁.၁၂၃**
၆။	ဝန်ထမ်းအင်အား	- **၇၃၀ ဦး**
	ပြည်တွင်း	- ၇၂၅ ဦး (ပြည်တွင်းဝန်ထမ်းတစ်ဦး၏ အမြင့်ဆုံးလစာမှာ US$ ၄၀၀၊ အနိမ့်ဆုံးလစာမှာ US$ ၉၀)
	ပြည်ပ	- ၅ ဦး (ပြည်ပဝန်ထမ်းတစ်ဦး၏ အမြင့်ဆုံးလစာမှာ US$ ၁,၀၀၀၊ အနိမ့်ဆုံးလစာမှာ US$ ၆၀၀)
၇။	ရောင်းချမည့်စနစ်	- ၁၀၀ % ပြည်ပသို့ တင်ပို့ခြင်း

၈။	ကုမ္ပဏီ၏ ဝင်ငွေ (ဆဋ္ဌမနှစ်)	- အမေရိကန်ဒေါ်လာ ၂.၅၃၈ သန်း
	ကုမ္ပဏီ၏ အသုံးစရိတ် (ဆဋ္ဌမနှစ်)	- အမေရိကန်ဒေါ်လာ ၂.၁၀၀ သန်း
	ကုမ္ပဏီ၏ အသားတင်အမြတ် (ဆဋ္ဌမနှစ်)	- အမေရိကန်ဒေါ်လာ ၀.၄၃၈ သန်း
၉။	နိုင်ငံတော်မှရရှိမည့်အကျိုးအမြတ် (ဆဋ္ဌမနှစ်) ဝင်ငွေခွန်	- အမေရိကန်ဒေါ်လာ ၀.၁၄၆ သန်း
	အရင်းကြေကာလ	- ၄ နှစ် ၁၁ လ
	အရင်းအနှီးအပေါ်အကျိုးအမြတ်ပြန်ပေါ်နှုန်း (IRR)	- ၁၉.၀၇၈၇ %
၁၀။	လျှပ်စစ်ဓါတ်အားသုံးစွဲမှု	- ၁၀၉,၂၀၀ Amp